

House Study Bill 326 - Introduced

HOUSE FILE _____

BY (PROPOSED COMMITTEE ON WAYS
AND MEANS BILL BY CHAIRPERSON
KAUFMANN)

A BILL FOR

- 1 An Act relating to state services and benefits provided to
- 2 disabled veterans, making penalties applicable, and making
- 3 appropriations.
- 4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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DIVISION I

VEHICLE REGISTRATION FEES — DISABLED VETERANS EXEMPT

Section 1. Section 321.46, subsection 2, Code 2025, is amended to read as follows:

2. a. Upon filing the application for a new initial registration and a new title, the applicant shall pay a title fee of thirty dollars, an annual registration fee prorated for the remaining unexpired months of the registration year, and a fee for new registration if applicable.

b. A manufacturer applying for a certificate of title pursuant to section 322G.12 shall pay a title fee of twenty dollars. However, a title fee shall not be charged to a manufactured or mobile home retailer applying for a certificate of title for a used mobile home or manufactured home, titled in Iowa, as required under section 321.45, subsection 4. The county treasurer, if satisfied of the genuineness and regularity of the application, and in the case of a mobile home or manufactured home, that taxes are not owing under chapter 435, and that applicant has complied with all the requirements of this chapter, shall issue a new certificate of title and, except for a mobile home, manufactured home, or a vehicle returned to and accepted by a manufacturer as described in section 322G.12, a registration card to the purchaser or transferee, shall cancel the prior registration for the vehicle, and shall forward the necessary copies to the department on the date of issuance, as prescribed in section 321.24. Mobile homes or manufactured homes titled under chapter 448 that have been subject under section 446.18 to a public bidder sale in a county shall be titled in the county's name, with no fee, and the county treasurer shall issue the title.

c. A veteran, as defined in section 35.1, who is a resident of the state of Iowa and has a service-connected disability rating of one hundred percent as certified by the United States department of veterans affairs shall not be charged a title fee.

Sec. 2. Section 321.105, Code 2025, is amended by adding the

1 following new subsection:

2 NEW SUBSECTION. 6. A veteran, as defined in section 35.1,
3 with a service-connected disability rating of one hundred percent
4 as certified by the United States department of veterans affairs
5 and who is not otherwise exempt under subsection 5 is exempt from
6 payment of annual registration fees provided in this chapter for
7 not more than three vehicles registered by the veteran, if the
8 veteran resides in Iowa. The veteran shall be provided, without
9 fee, one set of regular registration plates for each vehicle. In
10 lieu of the set of regular registration plates available without
11 fee, the veteran may obtain a set of special registration plates
12 or personalized registration plates issued under section 321.34
13 by paying the additional fees associated with those plates.

14 Sec. 3. NEW SECTION. **321.114 Disabled veterans fee**
15 **waiver.**

16 The department may waive any administrative fee related to
17 vehicle ownership for a veteran, as defined in section 35.1, who
18 is a resident of the state of Iowa and has a service-connected
19 disability rating of one hundred percent as certified by the
20 United States department of veterans affairs.

21 DIVISION II

22 DISABLED VETERAN TAX CREDIT

23 Sec. 4. NEW SECTION. **426D.1 Disabled veteran property tax**
24 **credit.**

25 1. For purposes of this section, "qualifying veteran" means a
26 person who meets the definition of a veteran under section 35.1,
27 is a resident of Iowa, and has a service-connected disability
28 rating of one hundred percent as certified by the United States
29 department of veterans affairs.

30 2. A qualifying veteran shall be allowed a credit on the
31 qualifying veteran's primary residence.

32 3. The amount of the credit under this section on a property
33 shall be equal to the property tax owed on the property.

34 4. a. Except as provided in paragraph "b", the list of the
35 names and addresses of individuals allowed a credit under this

1 section and maintained by the county recorder, county treasurer,
2 county assessor, city assessor, or other government body is
3 confidential information and shall not be disseminated to any
4 person unless otherwise ordered by a court or released by the
5 lawful custodian of the records pursuant to state or federal law.
6 The county recorder, county treasurer, county assessor, city
7 assessor, or other government body responsible for maintaining
8 the names and addresses of individuals allowed a credit under
9 this section may display the credit on individual paper records
10 and individual electronic records, including display on an
11 internet site.

12 b. Upon request, a county recorder, county assessor, city
13 assessor, or other entity may share information as described in
14 paragraph "a" with a county veterans service officer for purposes
15 of providing information on benefits and services available to
16 veterans and their families.

17 Sec. 5. NEW SECTION. **426D.2 Computation by auditor.**

18 On or before August 1 of each year, the county auditor shall
19 certify to the county treasurer all claims for disabled veteran
20 tax credits that have been allowed by the board of supervisors.
21 Such certificate shall list the total amount of dollars, listed
22 by taxing district in the county, due for disabled veteran tax
23 credits claimed and allowed. The county treasurer shall certify
24 to the department of revenue the amount of dollars, listed by
25 taxing district in the county, due for disabled veteran tax
26 credits claimed and allowed.

27 Sec. 6. NEW SECTION. **426D.3 Certification by director of**
28 **revenue.**

29 Sums distributable from the general fund of the state shall be
30 allocated annually to the counties of the state. On September
31 15 of each year, the director of revenue shall certify and the
32 department of administrative services shall draw warrants to the
33 treasurer of each county payable from the general fund of the
34 state in the amount claimed. Payments shall be made to the
35 treasurer of each county no later than September 30 of each year.

1 Sec. 7. NEW SECTION. **426D.4 Proportionate shares to**
2 **districts.**

3 The amount of credits received under this chapter shall
4 be apportioned by each county treasurer to the several taxing
5 districts. Each taxing district shall receive its share of the
6 disabled veteran tax credit allowed in the taxing district on a
7 property in an amount equal to the proportion of the levy made by
8 the taxing district in relation to the total of all levies made
9 on the property.

10 Sec. 8. NEW SECTION. **426D.5 Setting aside allowance.**

11 If the department of revenue determines that a claim for
12 disabled veteran tax credit has been allowed by a board of
13 supervisors that is not justifiable under the law and not
14 substantiated by proper facts, the department may, at any time
15 within thirty-six months from July 1 of the year in which
16 the claim is allowed, set aside the allowance. Notice of
17 the disallowance shall be given to the county auditor of the
18 county in which the claim has been improperly granted and a
19 written notice of the disallowance shall also be addressed to the
20 claimant at the claimant's last known address. The claimant or
21 the board of supervisors may appeal to the director of revenue
22 within thirty days from the date of the notice of disallowance.
23 The director shall grant a hearing and if, upon the hearing,
24 the director determines that the disallowance was incorrect, the
25 director shall set aside the disallowance. The director shall
26 notify the claimant and the board of supervisors of the result
27 of the hearing. The claimant or the board of supervisors may
28 seek judicial review of the action of the director of revenue
29 in accordance with chapter 17A. If a claim is disallowed by the
30 department of revenue and not appealed to the director of revenue
31 or appealed to the director of revenue and subsequently upheld
32 upon final resolution, including judicial review, the credits
33 allowed and paid from the general fund of the state become a
34 lien upon the property on which the credit was originally granted
35 if the property is still owned by the claimant and not a bona

1 fide purchaser. The amount owing on the lien shall be collected
2 by the county treasurer in the same manner as other taxes, and
3 the collections shall be returned to the department of revenue
4 and credited to the general fund of the state. The director
5 of revenue may institute legal proceedings against a disabled
6 veteran tax credit claimant for the collection of payments made
7 on disallowed credits.

8 Sec. 9. NEW SECTION. **426D.6 Forms — rules.**

9 1. The director of revenue shall prescribe the form for
10 making a verified statement and designating property for the
11 disabled veteran tax credit and such other forms as may be
12 necessary for the proper administration of this chapter. The
13 department of revenue shall forward to each county auditor
14 prescribed sample forms.

15 2. The department of revenue shall adopt rules pursuant to
16 chapter 17A to implement and administer this chapter.

17 Sec. 10. NEW SECTION. **426D.7 Excess remitted — appeals.**

18 1. If the amount of credit apportioned to any property
19 eligible for a disabled veteran tax credit under this chapter
20 in any year shall exceed the total tax, exclusive of any
21 special assessments levied against such property eligible for the
22 disabled veteran tax credit, then the excess shall be remitted
23 by the county treasurer to the department of revenue to be
24 redeposited in the general fund of the state and reallocated the
25 following year by the department.

26 2. a. If any claim for a credit made has been denied by the
27 board of supervisors, and the action is subsequently reversed on
28 appeal, the credit shall be allowed on the assessed valuation,
29 not to exceed the amount of the disabled veteran tax credit
30 involved in the appeal, as was allowed on other disabled veteran
31 tax credit valuations for the year or years in question, and the
32 director of revenue, the county auditor, and the county treasurer
33 shall credit and change their books and records accordingly.

34 b. If the appealing taxpayer has paid one or both of the
35 installments of the tax payable in the year or years in question

1 on the disabled veteran tax credit valuation, remittance shall be
2 made to the county treasurer in the amount of such credit.

3 c. The amount of the credit shall be allocated and paid from
4 the surplus redeposited in the general fund of the state provided
5 for in subsection 1.

6 Sec. 11. NEW SECTION. **426D.8 Erroneous credits.**

7 If any claim is allowed, and subsequently reversed on appeal,
8 any credit shall be void, and the amount of the credit shall
9 be charged against the property in question, and the director
10 of revenue, the county auditor, and the county treasurer shall
11 correct their books and records. The amount of the erroneous
12 credit, when collected, shall be returned by the county treasurer
13 to the general fund of the state.

14 Sec. 12. NEW SECTION. **426D.9 Allowance — continuing**
15 **effectiveness.**

16 1. The assessor shall retain a permanent file of current
17 disabled veteran tax credit claims filed in the assessor's
18 office. The assessor shall file a notice of transfer of property
19 for which a claim is filed when notice is received from the
20 office of the county recorder, from the person who sold or
21 transferred the property, or from the personal representative of
22 a deceased claimant.

23 2. The county recorder shall give notice to the assessor of
24 each transfer of title filed in the recorder's office. The
25 notice shall describe the property transferred, the name of the
26 person transferring the title to the property, and the name of
27 the person to whom title to the property has been transferred.

28 3. Not later than July 6 of each year, the assessor
29 shall remit the claims and designations of property to the
30 county auditor with the assessor's recommendation for allowance
31 or disallowance. If the assessor recommends disallowance
32 of a claim, the assessor shall submit the reasons for the
33 recommendation, in writing, to the county auditor.

34 4. The county auditor shall forward the claims to the board
35 of supervisors. The board shall allow or disallow the claims.

1 If the board disallows a claim, it shall send written notice, by
2 mail, to the claimant at the claimant's last known address. The
3 notice shall state the reasons for disallowing the claim for the
4 credit. The board is not required to send notice that a claim is
5 disallowed if the claimant voluntarily withdraws the claim.

6 5. Any person whose claim is denied under the provisions
7 of this chapter may appeal from the action of the board of
8 supervisors in the district court of the county in which said
9 claimed disabled veteran tax credit is situated by giving written
10 notice of such appeal to the county auditor of said county within
11 twenty days from the date of mailing of notice of such action by
12 the board of supervisors.

13 6. Upon adoption of a resolution by the county board of
14 supervisors, any person may request, in writing, from the
15 appropriate assessor forms for the filing for a disabled veteran
16 tax credit. The person may complete the form, which shall
17 include a statement claiming the disabled veteran tax credit and
18 designating the property upon which the tax credit is claimed,
19 and mail or return it to the appropriate assessor. The signature
20 of the claimant on the claim shall be considered the claimant's
21 acknowledgment that all statements and facts entered on the form
22 are correct to the best of the claimant's knowledge.

23 Sec. 13. NEW SECTION. **426D.10 Penalty.**

24 Any person making a false affidavit for the purpose of
25 obtaining the credit provided for in this chapter or who
26 knowingly receives the credit without being legally entitled to
27 the credit, shall be guilty of a fraudulent practice.

28 Sec. 14. NEW SECTION. **426D.11 Appropriations.**

29 There is appropriated from the general fund of the state
30 the amounts necessary to fund the credits provided under this
31 chapter.

32 EXPLANATION

33 The inclusion of this explanation does not constitute agreement with
34 the explanation's substance by the members of the general assembly.

35 This bill relates to state services and benefits provided to

1 veterans.

2 DIVISION I — VEHICLE REGISTRATION FEES — VETERANS

3 EXEMPT. This division of the bill relates to registration fees
4 for vehicles owned by veterans.

5 Current law exempts seriously disabled veterans who have
6 been provided with an automobile or other vehicle by the
7 United States government from paying motor vehicle registration
8 fees. The division exempts veterans with a service-connected
9 disability rating of 100 percent as certified by the United
10 States department of veterans affairs who reside in Iowa from
11 paying annual vehicle registration fees for not more than three
12 vehicles registered by the veteran, and provides for one free
13 set of regular registration plates for each vehicle. In lieu
14 of the set of regular registration plates available without fee,
15 a veteran may obtain a set of special registration plates or
16 personalized registration plates by paying the additional fees
17 associated with those plates under current law. Under current
18 law, several special registration plates relating to service in
19 the armed forces are available at no charge to eligible persons.

20 The division also exempts veterans with a service-connected
21 disability rating of 100 percent from paying a title fee and
22 provides that the department of transportation may waive any
23 administrative fee related to vehicle ownership for such a
24 veteran.

25 DIVISION II — DISABLED VETERAN PROPERTY TAX CREDIT. This
26 division creates a property tax credit for certain veterans.

27 The division defines "qualifying veteran" as a person
28 who meets the definition of a veteran under Code section
29 35.1 (veterans affairs), is a resident of Iowa, and has a
30 service-connected disability rating of 100 percent as certified
31 by the United States department of veterans affairs.

32 The division allows a qualifying veteran a credit on a
33 qualifying veteran's primary residence. The amount of the credit
34 on a property is equal to the property tax owed on the property.

35 Except upon a county veterans service officer's request for

1 the purposes of providing information on benefits and services
2 available to veterans and their families, the division makes
3 confidential the list of the names and addresses of individuals
4 allowed a credit under the division and maintained by the county
5 recorder, county treasurer, county assessor, city assessor, or
6 other government body. The division prohibits this information
7 from being disseminated to any person unless otherwise ordered
8 by a court or released by the lawful custodian of the records
9 pursuant to state or federal law. The county recorder, county
10 treasurer, county assessor, city assessor, or other government
11 body responsible for maintaining the names and addresses of
12 individuals allowed a credit may display the credit on individual
13 paper records and individual electronic records, including
14 display on an internet site.

15 The division requires the department of revenue, the
16 department of administrative services, county auditors, county
17 treasurers, and assessors to administer the disabled veteran tax
18 credit in a manner similar to the military service tax credit and
19 exemptions in Code chapter 426A.

20 The division makes any person who makes a false affidavit
21 for the purpose of obtaining the disabled veteran tax credit or
22 who knowingly receives the credit without being legally entitled
23 to the credit guilty of a fraudulent practice. A fraudulent
24 practice is punishable based on the amount of value involved, and
25 may range from a simple misdemeanor punishable by confinement for
26 no more than 30 days and a fine of at least \$105 but not more
27 than \$855, to a class "C" felony punishable by confinement for
28 no more than 10 years and a fine of at least \$1,370 but not more
29 than \$13,660.

30 The division appropriates from the general fund of the state
31 amounts necessary to fund the disabled veteran tax credit.